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Paul D. Hutchcroft. *Booty Capitalism: The Politics of Banking in the Philippines*. Ithaca: Cornell University Press, 1998, 278p.

This book deals in the main with Philippine banking and problems associated with its development. It is recommended for those who are interested in Philippine development as well as those who want to know what problems a developing country faces in fostering the necessary institutions for economic development. The author should be commended for the amount of information he has collected and for his ability to present it in a lucid manner. The list of interviews, which were probably indispensable for making up for the paucity of written information, is very impressive.

Seven out of 10 chapters, or about three quarters of the book, are allocated to discussion of Philippine banking. If the author had not gone beyond that, this would have been a book on economic history, but, being a political scientist (he is with the Department of Political Science in the University of Wisconsin), he had tried to make it a book on the political economy of economic development. If this is a more important objective, the approach he has taken does not seem to be the best one.

The author correctly points out, from Max Weber's study, that "bringing political arbitrariness to heel" is a critical prerequisite for the development of advanced forms of capitalist accumulation (p. 5). This problem can not be dealt with by preaching liberalization, deregulation, and privatization (as many economists often do), since the problem of "bringing political arbitrariness to heel" remains when the government performs minimum tasks (e.g. provides public goods such as law and order). A country's economic performance may improve under laissez faire policy, but it cannot develop an advanced capitalist system until it finds a way to

build a government which enforces rules and regulations in a predictable manner (pp. 56-57). This is a useful reminder for those economists who tend to forget that capitalism is politically determined (p. 19) as well as for those Asian specialists who believe that a high standard of living can be achieved in an Asian way. Networks and some other Asian characteristics may help, but to reduce the cost of transactions (as institutional economists would argue) and sustain economic growth, the rule of law is indispensable. This is also the point made by institutional economists interested in economic growth, such as Douglass North.

If this is what the author wants to demonstrate, it is not enough to discuss Philippine banking. He needs to discuss it in a comparative framework. He gives an impression that he does have such a framework by characterizing the Philippine state as a patrimonial oligarchic state and distinguishing it from other states, such as the patrimonial administrative states of Thailand and Indonesia (p. 20). But what he offers is simply a typology of states and does not show in what way Philippine banking was handicapped. To point out irregular banking practices is not enough since they exist in most Asian countries. For example, the problems the Philippines has had with banking inspection exist in Japan even today. So, in order to make his points convincingly, the author has to point out which problems were a serious barrier to banking development. This can be done most effectively by contrasting the Philippines with another country where banking development has been more successful.

Another problem of this book is why Philippine capitalism is booty capitalism, whereas Indonesian capitalism is not (p. 47). To many observers of Southeast Asia who have not read this book, Indonesian capitalism is more booty capitalism than Philippine capitalism is. Until recently, Suharto's children, relatives and cronies plundered the state's resources or relied on the state to plunder the people. As the author shows, the nature of states may be

different, but it is difficult to accept his characterization of Philippine capitalism as booty capitalism and Indonesian capitalism as something else. If booty is understood to be plunder, it can be done by "bureaucrats" as well as by economic oligarchs.

Probably, the manuscript was completed before Suharto's fall in May 1998. Otherwise, it is difficult to understand why he states: "Over the long term, obstacles to change will tend to be far more problematic in the patrimonial oligarchic state than in the patrimonial administrative state, or bureaucratic polity" (p. 234). This is probably based on Ruth McVey's study (quoted on p. 51), but if the former is taken to be the Philippines and the latter Indonesia, the statement is not true. It may be true for Thailand, but definitely not for Indonesia. The author and McVey seem to be overlooking the difference in the degree of institutionalization between Indonesia and Thailand.

One more thing that puzzles me is the use of the word "oligarch" used to characterize the Philippines or its political system. Since it is often used in this way by Philippine specialists, the author may have just followed the conventional use, but in one sense, he is using it in a somewhat unconventional way. His oligarchs start out as economic oligarchs, who vie to control the state for "plunder." The Lopez family certainly fits the bill, but Marcos does not. The author is right in saying that the oligarchs who controlled the state changed over time (this is to be contrasted with the view that the same old families take turns in running the government), but it seems that many came from the families of modest economic means. The Philippine state may be easily captured by people outside the power circles or bureaucracy, but it is quite another matter to characterize it as an oligarchical state as the author defines it.

The above critical comments do not apply to the author's description of the development of Philippine banking, which constitute the bulk of the book. Strangely, although this is not the author's area of

expertise, it is here that the book distinguishes itself. Banking is an important industry in the Philippines, but hitherto no systematic attempt has been made to look into it. The book covers the period from colonial times to the Ramos administration.

(Yoshihara Kunio 〈吉原久仁夫〉・CSEAS)

Benedict Anderson. *The Specter of Comparisons: Nationalism, Southeast Asia and the World*. London: Verso, 1998, 374p.

The introductory chapter is followed by 17 chapters, divided into four parts: three chapters in Part I, entitled "The Long Arc of Nationalism"; eight chapters in Part II, "Southeast Asia: Country Studies"; four chapters in Part III, "Southeast Asia: Comparative Studies"; and two chapters in Part IV, "What is Left." Most of the chapters have been published over the past two decades: only three are new. But by collecting all these in one place, the book makes it convenient for us to examine the author's thoughts on nationalism in general as well as in Southeast Asia.

If one defines scholarly writings as those which ordinary readers find it difficult to understand, Chapter 1, entitled "Nationalism, Identity, and the Logic of Seriality," is the most scholarly, for only a few readers would be able to understand what the author is trying to say. The first paragraph would make most readers stop reading if they did not know that the author is an eminent scholar on Southeast Asia and nationalism. Even if they continued in the hope of being able to understand it after they had finished reading the chapter, they would still not make much sense of it. What would put many readers off would be the unfamiliarity of the concept of seriality and how it is related to nationalism.

Although the remaining chapters (at least some of them) are not necessarily easy to read, they offer a great deal to the reader who can concentrate on reading them for a few days. There would not be